

Preserving the future... today!



Annual Report 2003

*10<sup>th</sup>  
Anniversary*



Environmental Foundation of Jamaica

# celebrating ten years

## The Mission Statement

The Environmental Foundation of Jamaica promotes, supports and implements activities designed to conserve the natural resources and the environment of Jamaica and foster the well-being of our children. To this end, the foundation will give the highest priority, to those activities from which benefits are sustainable and/or replicable.

Looking back at its first ten years, the Environmental Foundation of Jamaica (EFJ) can be proud of having - true to its mission - promoted, supported and implemented activities designed to conserve our natural resources and contributed to the survival and development of some of our youngest citizens.

Looking forward to the next ten years, the EFJ wants to make an even greater impact by putting the capital and human resources at its disposal to more effective use, and using its unique position to further national development, as an enabling partner.

The EFJ remains a unique organisation in the English-speaking Caribbean, created on November 26 1991 under the Enterprise for the Americas Initiative (EAI) by an Agreement signed by the Governments of Jamaica and the United States of America. A year later, the Foundation was incorporated as a company limited by guarantee and began operations as a grant-making organisation in May 1993.

In its first reporting year of operations, ending in July 1994, the Foundation disbursed J\$9,592,556 to 26 grants. In year 2002-2003 it disbursed J\$100M, bringing total disbursements to J\$492M in 558 grants.

In its ten years, the EFJ has had four Chairpersons and two Executive Directors. Its first home was in temporary offices located at the United States Agency for International Development, and while it has continued to operate in the Kingston business district (the New Kingston area) it made its home in two other locations before finding its current base at 1B Norwood Avenue. During all this time, the Chairman of the first (Interim) Board, Mr Franklin McDonald has remained on the Board as the representative of the Government of Jamaica.

At the threshold of the second decade, the Environmental Foundation of Jamaica, through its constituent parties, recommits itself to its mission, to open and transparent conduct of its business, to continued support for civil society organizations and institutions and collaboration with the Governing Parties to the Agreement which brought it into existence, and with agencies of other governments and multilateral agencies. The EFJ is very conscious of the opportunity which it has been given to serve Jamaica and will continue to use that opportunity responsibly, wisely and well.

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# board, staff and associates

## BOARD OF DIRECTORS

Mrs. Jeanne Robinson, O.D.	Child Sector Director, Chair
Mr. James Rawle	NGO Director, Vice Chair
Mr. Earl Jarrett	NGO Director, Treasurer
Ms. Nicole Foga	NGO Director, Hon. Secretary
Mr. Franklin McDonald	Representative of the Government of Jamaica
Mr. Howard Batson	Representative of the United States of America
Professor Susan Walker	Representative of the University of the West Indies
Mr. Robert Kerr	NGO Director, Chair, Membership and Community Relations Committee
Mr. John McFarlane	NGO Director

## MEMBERS OF STAFF

### EXECUTIVE OFFICE AND ADMINISTRATION

Ms. Selena Tapper	Executive Director
Ms. Hazel Campbell	Executive Assistant
Ms. Carol Rowe	Administrative Officer
Ms. Patrice Kong	Membership Relations and Information Administrator
Ms. Marcia Johnson	Receptionist
Ms. Audrey Kirkland	Office Attendant/Relief Receptionist
Ms. Paulette Westcarr	Office Attendant
Mr. David Beckford	Messenger

### PROJECTS UNIT

Ms. Marlene Lewis	Senior Projects Officer
Mr. Derrick Gayle	Projects Officer
Ms. Charmaine Webber	Projects Administrator
Ms. Valerie Shirley	Projects Secretary

### SPECIAL PROJECTS UNIT

Mr. Ian Gage	Special Projects Manager
Ms. Janice Blake	Special Projects Assistant
Mr. Kirk Brown	Technical Projects Coordinator
Mrs. Elecia Myers	Environmental Sciences Officer

### FINANCE UNIT

Mr. Kurt Hollingsworth	Financial Manager
Ms. Joanna Prendergast	Assistant Manager, Treasury
Mr. Leighton Cornwall	Senior Accounting Clerk

# board, staff and associates

## STANDING COMMITTEES

### EXECUTIVE COMMITTEE

Mrs. Jeanne Robinson, O.D.	Child Sector Director, Committee Chair
Mr. James Rawle	NGO Director
Mr. Earl Jarrett	NGO Director, Treasurer
Ms. Nicole Foga	NGO Director, Hon. Secretary
Ms. Selena Tapper	Executive Director

### GRANT MAKING COMMITTEE

Professor Susan Walker	Representative of the University of the West Indies, Committee Chair
Mr. James Rawle	NGO Director, Vice Chair
Mr. Franklin McDonald	Representative of the Government of Jamaica
Mr. Howard Batson	Representative of the United States of America
Mr. Robert Kerr	NGO Director
Mr. John McFarlane	NGO Director
Ms. Selena Tapper	Executive Director
Ms. Marlene Lewis	Senior Projects Officer
Mr. Ian Gage	Special Projects Manager

### FINANCE AND GENERAL PURPOSES COMMITTEE

Mr. Earl Jarrett	NGO Director, Treasurer, Committee Chair
Mrs. Jeanne Robinson, O.D.	Child Sector Director
Mr. James Rawle	NGO Director
Mr. Franklin McDonald	Representative of the Government of Jamaica
Mr. Howard Batson	Representative of the United States of America
Ms. Selena Tapper	Executive Director
Mr. Kurt Hollingsworth	Financial Manager

### MEMBERSHIP AND COMMUNITY RELATIONS COMMITTEE

Mr. Robert Kerr	NGO Director, Committee Chair
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Association of Development Agencies (Ms. Amsale Maryam)  
Association of Clubs (Mr. Matthias Brown)  
National Environmental Societies Trust (Ms. Janice Ansine)  
Natural History Society of Jamaica (Mr. Albrecht Tobisch)  
Council for Voluntary Social Services (Mrs. Beverly Sutherland-Lewis)

Ms. Selena Tapper	Executive Director
Ms. Patrice Kong	Membership Relations and Information Administrator

# board, staff and associates

## COMPENSATION AND COMPLIANCE COMMITTEE

Ms. Nicole Foga	NGO Director, Hon. Secretary, Committee Chair
Mrs. Jeanne Robinson, O.D.	Child Sector Director
Mr. James Rawle	NGO Director
Mr. Earl Jarrett	NGO Director, Treasurer
Ms. Selena Tapper	Executive Director
Mr. Kurt Hollingsworth	Financial Manager

## ATTORNEYS

Myers, Fletcher and Gordon  
Park Place  
21 East Street  
Kingston

## AUDITORS

PricewaterhouseCoopers  
Scotiabank Centre  
Corner of Duke and Port Royal Streets  
Kingston

## COMMERCIAL BANKERS

National Commercial Bank Jamaica Limited  
Private Banking Branch  
32 Trafalgar Road  
Kingston 5

## INVESTMENT MANAGERS

Barita Portfolio Management Limited  
George and Branday Limited  
National Commercial Bank Jamaica Limited  
Scotia Jamaica Investments Limited

# chairman's message

In 2002 the Foundation began an intensive review of its work as well as an evaluation of the performance of its programmes, in anticipation of 2003, the final year of the 1997-2003 strategic plan. In addition, we were approaching the end of the first ten years and needed to determine the lessons learnt, as well as 'Best Practices'. The Board of Directors and Staff together explored the impact of the increased competition for available resources because of the growth of the NGO sector, and the challenges being experienced by non-profit groups in securing and retaining the services of qualified individuals. In the light of these challenges the EFJ looked at how we ourselves were perceived and how we were carrying out our mission. We also considered where and what collaboration could strengthen our ability to carry out our mission more effectively. The findings of our self-exploration indicated that new strategies for action were now necessary to enable the Foundation to become more proactive and responsive to emerging needs of communities island-wide, as well as to institutions, and the citizens of Jamaica at large.

In April 2003, the Hon. Dean Peart, Minister of Land and Environment, appointed a new Board, from nominations made at the Annual General Meeting held in December 2002. The newly-constituted Board met for the first time in May and elected a new Chair and Officers. The Chair urged, and was assured of, participation by Directors in all aspects of the governance of the Foundation. After analysing the outcome of reviews conducted during the previous nine months, early agreement was also reached on the priorities for Board and Staff.

We all realize the enormous task that is ahead and our appreciation is conveyed to the Directors of the previous Board for

providing the new Board with a map to guide its work. Special recognition must be given to the past Chair, Mr. Paul Miller, for his sterling efforts over the last five years during which period several significant developments took place under his leadership.

Some of the most significant changes which have been initiated by the Board, in its efforts to improve and strengthen performance of the Secretariat, have been in the area of creating partnerships with the NGO community on several major projects, e.g., the Dunns River Watershed in St. Ann; the National Heroes Park in Kingston; and the Hope Zoo and Royal Botanic Gardens at Hope. These partnerships amount to a "transfer of power" to the NGO partners, who assume responsibility for implementation of the projects. This approach has generated positive results for long-term development to expand the Foundation's reach. Mention must also be made of the multi-year grant awards which have supported NGO's in the field, as well as academic research programmes, and technical innovation.

The Strategic Task Force, established in April 2002, completed its work in September of that year. Its terms of reference centred on examination of the EFJ's grant-making process, and it was mandated to make recommendations on how to move the Foundation from a project-driven grant-making process to adopting a more programmatic approach. Special attention was given to the recommendations of the December 2001 evaluation of the Foundation by the Enterprise of the Americas Initiative (EAI). In March 2003, the recommendations of the Task Force report were accepted by the Board, among them the necessity for early action to be taken, starting with

# chairman's message cont'd

restructuring of the Secretariat to support a programme approach to the management and award of grants; technical support for clients; and capacity building in the NGO sector. In June 2003, the terms of reference for the Task Force were expanded to include responsibilities for driving the strategic planning process. Work has started on a strategic five-year plan for 2004-2008 that will guide the Foundation's work and development as it moves into its second decade.

Early in 2003 the Board received approval from the two Governing Parties to the EAI agreement, the Governments of Jamaica and the United States, to establish an endowment fund under a Trust deed. This responsibility has been taken on by the Finance and General Purposes Committee. In addition, the two Governments have approved administration costs at 25% of disbursements with effect from August 1 2003, which, we are confident, will allow the Foundation to work within compliance guidelines of the EAI agreement. Our two Government representatives are acknowledged for their role in seeking the approval from their Governments to implement these important developments.

In May 2003 Directors and Members jointly reviewed the Strategic Task Force report. It was a most productive morning, and the workshop sessions to address priorities and allocations for grantmaking generated similar recommendations to those put forward in the (Strategic Task Force) report. The priorities agreed by the members focused on management and conservation of our natural resources, and early childhood interventions, as well as the Adolescent-at-Risk.

I take this opportunity to thank all who participated in this membership meeting,

as well as other membership activities during the year for their enthusiasm, support and involvement with the Foundation's outreach programmes.

The annual Board retreat was held in July 2003. The outcomes resulted in further restructuring of the Secretariat and greater focus on the programmatic approach to grantmaking. This has brought about several changes in processes and services. The merger of the Projects Unit and the Special Projects Unit to form a Programme Department is still in progress, as well as the merger of the Finance and Administration Departments. This reorganization within the Secretariat will allow for greater efficiency to serve our members, prospective grantees, and the general public. A new culture of service is in the making which will provide friendly quality service delivered with confidence.

In late July, Directors had the pleasure of meeting with the Hon. Dean Peart, Minister of Land and Environment, and Mrs. Jacqueline daCosta, The Permanent Secretary, Ministry of Land and Environment. The discussions were open and provided a clearer understanding of expectations for the Foundation as a partner in national development. Their support and interest is appreciated.

The Board, the Executive Director, Staff and Members have provided sound guidance and support and are committed to the future of the Environmental Foundation of Jamaica as it charts new directions. It has been a great pleasure working with them all and I would like to publicly acknowledge the importance of their contribution. ■

Jeanne Robinson O.D.  
November 19, 2003



# GOVERNANCE

## grant management

During the year the Board appointed a Grants Management Committee which replaced the Projects Committee and the Special Projects Committee. For this period, forty-four grants valued at \$112.4M were approved.

Table 1: Comparative Approval and Disbursement Rates Since Inception

Period	No. of Applicants		Amount (J\$)	
	Received	Approved	Approved	Disbursed
1993/1994	108	30	17.90	10.3
1994/1995	228	95	77.51	27.5
1995/1996	218	94	57.70	49.35
1996/1997	134	81	44.68	36.9
1997/1998	90	39	18.35	40.23
1998/1999	48	30	25.52	24.94
1999/2000	87	52	79.38	45.81
2000/2001	106	40	92.46	59.1
2001/2002	76	45	69.82	97.57
2002/2003	80	52	112.40	100.5
<b>TOTAL</b>	<b>1175</b>	<b>558</b>	<b>595.72</b>	<b>492.20</b>

### GRANT MAKING PROGRAMME

The focus remained the same, however Table II points to the need to build partnerships that facilitate the creative use of technology and stimulate interest in non-traditional areas of work namely; children in challenging circumstances, with special needs and disabilities, and child rights education.

Table II: Grants Approved by Priority Area and Year of Award

Priority Areas	2001/2002		2002/2003	
	Number	Value J\$	Number	Value J\$
Capacity Building	8	12,335,870	8	17,571,785
Natural Resource Management	4	9,131,556	9	38,411,036
Child Survival & Development	20	37,560,862	14	17,610,500
Environmental Awareness	9	9,209,478	13	26,607,800
Technological Innovation	4	1,590,000	-	-
National Grants Programme	-	-	8	12,184,436
<b>TOTAL VALUE</b>	<b>45</b>	<b>\$69,827.767</b>	<b>52</b>	<b>\$112,385,557</b>

Three strategies were adopted to encourage work in the programme areas, capacity building and target marketing and special projects or national projects. Technical assistance was provided to assist NGOs in the conduct of programme and project development, feasibility and for core support to environmental NGOs engaged in the management of parks and protected areas.

# GOVERNANCE

## grant management cont'd

- **NGO AND CBO CAPACITY DEVELOPMENT**

The need to build and improve the capacity of NGOs and CBOs continues to be a critical focus area for the Foundation. Three important initiatives were the NGO consultations on the progress towards sustainable development in Jamaica and participation in the World Summit on Sustainable Development Global Forum in South Africa, as well as the development of a National Registry of Volunteers in Jamaica.

During the year a protocol for peer exchange was instituted as part of the strategy for building capacity among fledgling organizations. A network of Resource Centres was also developed to support this effort and provide training for practitioners and parents within communities.

- **SPECIAL FUND FOR PARKS AND PROTECTED AREAS (J\$50M)**

Plans are now in place and work has begun on the preparation of a National System Plan for Protected Areas in Jamaica, which should give clear guidelines for the support and management of parks and protected areas. As at August 1, 2002, the balance available in the Fund was \$21 million. During the year three NGOs with responsibility for the management of parks and protected areas were provided with a total of \$14.33M leaving a total of \$6.67m for disbursement during the ensuing period.

- **NATIONAL GRANTS PROGRAMME**

The programme advanced into the implementation phase increasing the pace for identification of interested NGOs with the required management capacity to implement the menu of projects in this programme. The four active projects this year were Dunn's River Watershed Management, Royal Botanic Gardens, Hope (Hope Gardens), Hope Zoo and the National Heroes Park. Work continued on the formulation projects for concepts previously developed on spinal forest, Jamaican Biodiversity, Coastal Zone Management, and child development.

The programme changed its operational procedures from direct expenditure to the execution of the projects through grant awards to NGOs, significantly reducing the administrative expenditure. The role of the Unit staff changed accordingly to reflect the focus on monitoring.

Table III: National Grants Awards for 2002-2003

Projects	Direct Expenditure	Grant Awards	Total
<b>Biodiversity</b>		250,000.00	250,000.00
<b>Child Sector</b>	388,368.00	250,000.00	638,368.00
<b>Coastal Zone</b>	26,880.00		26,880.00
<b>Dunn's River</b>	99.00	961,490.00	961,589.00
<b>Hope Gardens</b>	20,000.00	1,756,350.00	1,776,350.00
<b>Hope Zoo</b>		1,811,654.00	1,811,654.00
<b>National Heroes Park</b>	(56,356.00)	6,443,928.00	6,391,572.00
<b>Spinal Forest</b>	223,467.00	104,556.00	328,023.00
<b>Total</b>	606,458.00	11,577,978.00	12,184,436.00

# GOVERNANCE

## grant awards

During the period 1 August 2002 to 31 July 2003, forty-four grants were awarded to Non-Governmental Organisations, totaling \$100,201,121.00.

### **CAPACITY BUILDING**

Goal Area 1: Total Grants Awarded: 8 totaling JMD \$ 17,571,785

#### **3D Projects**

*Technical Assistance for Development of Strategic Plan for Social Enterprise and Sustainability.*

A grant of One Hundred and Fifty-Five Thousand Dollars (\$155,000) was awarded to review issues identified from a strategic exercise carried out at the Board Retreat, so as to develop immediate medium and long term measures to improve 3D's financial sustainability.

#### **Council for Voluntary and Social Services**

*Development and Maintenance of a Database of Jamaican Volunteers in a National Registry*

Four Million Nine Hundred and Seventy-Five Thousand Dollars (\$4,975,000) was awarded to develop and maintain a database of all registered volunteers, with an aim to reduce the lack of social cohesion, indifference and apathy being manifested by a decline in voluntary activities.

**International School of Jamaica, ISJA**  
*Building Capacity in ISJA for the Implementation and Management of Community Programmes for Environmental Awareness and Financial Sustainability.*

Four Million Eight Hundred and Twenty Thousand Dollars (\$4,820,000) was awarded to improve social well-being, improve economic prosperity, increase income generation and also to improve environmental quality.

#### **Jamaica Conservation and Development Trust**

*Preparation of a National Protected Area Systems Plan for Jamaica, Phase 1*

Seven Hundred Ninety-Six Thousand Seven Hundred and Eighty-Five Dollars (\$796,785) was awarded to define the components required for the preparation of a national system plan for protected areas.

#### **Jamaica Environment Trust**

*Support for the Patron of Schools Environment Programme (SEP) to Travel from the United Kingdom (U.K.) to Attend Awards Ceremony*

Two Hundred and Seventy-Five Thousand Dollars (\$275,000) was awarded to support the travel costs for the Patron of the Schools Environment Programme to attend the awards ceremony for greater recognition for the SEP through linkages with other similar programmes in the U.K.

#### **Negril Coral Reef Preservation Society, NCRPS**

*Participation of NCRPS in the Caribbean Coral Reef Conference in Curacao 2002*

Three Hundred Thousand Dollars (\$300,000) was awarded to NCRPS to visit the coral reefs of Curacao and participate in discussions on coral reef related issues with Caribbean/regional researchers and conservationists, as well as to get a first hand view of the reef condition and to explore the possible funding opportunities.

#### **People's Action for Community Transformation, PACT**

*Monitoring and Provision of Technical Assistance to the Environmental Foundation of Jamaica Funded Projects*

Four Million Nine Hundred and Fifty Thousand Dollars (\$4,950,000) was awarded to finance the delivery of adequate project monitoring and basic

# GOVERNANCE

## grant awards

technical assistance to twenty-five (25) active projects over a one-year period.

### **St. Ann Environment Protection Association**

*Support for the Participation of three Non-Governmental Organisations (NGOs) in the World Summit on Sustainable Development (WSSD) Global Forum 2002*  
One Million Three Hundred Thousand Dollars (\$1,300,000) was awarded to coordinate the attendance of three selected NGO representatives at the WSSD/Global Forum and related activities. The award allowed for information gained on sustainable development initiatives in other countries to be networked and lessons learned to be shared with a wide range of international organizations working towards sustainable development.

### **NATURAL RESOURCE MANAGEMENT & SUSTAINABLE LIVELIHOODS**

Goal Area 2: Total Grants Awarded 9 totaling JMD \$ 38,411,036

### **Bowden Pen Farmers Association**

*Eco-Tourism Development in Bowden Pen to Promote Sustainable Livelihoods*

Three Million Eight Hundred and Fifty Thousand Dollars (\$3,850,000) was awarded to provide information on the cultural diversity of the Bowden Pen region, develop a trained cadre of community workers, improve the dangerous conditions that exists on the trail and to provide safe access for users of the trail.

### **International School of Jamaica, ISJA**

*Solid Waste /Natural Resource Management and Park Beautification in Port Maria and surrounding Areas.*

Four Million Nine Hundred and Forty Thousand Dollars (\$4,940,000) was awarded to increase the awareness of farmers, loggers, charcoal burners and other natural resource users in St. Mary of environmentally sustainable practices.

### **Jamaica Conservation and Development Trust**

*Blue and John Crow Mountains National Park Support for Effective Management of the Most Threatened Sections*

Four Million Five Hundred and Eight Thousand Four Hundred and Fifty-Nine Dollars (\$4,508,459) was awarded to reforest 15ha of land so as to improve compliance with legislation in the Park and its buffer zones by increasing the presence of Rangers on regular patrols.

### **Jamaica Conservation and Development Trust**

*Preparation and Implementation of an Ecotourism Management Plan for Hollywell, Blue Mountain*

Seven Hundred and Fifty-Eight Thousand Dollars (\$758,000) was awarded to contract a suitable Project Manager to implement product development improvements at Hollywell. To prepare an Ecotourism Management Plan for Hollywell and to prepare the recreation and tourism programme section for the Park's Management Plan.

### **National Environmental Societies Trust** *Preparation of a National System Plan for Protected Areas in Jamaica*

Six Million Four Hundred and Seventy-Five Thousand Dollars (\$6,475,000) was awarded to increase public awareness on the role of protected area system plan among stakeholders. Participation of all stakeholders in system plan development through public consultations.

### **Negril Area Environmental Protection Trust**

*Royal Palm Reserve and Morass Restoration Project*

Four Million Eight Hundred and Fourty-Five Thousand and Eight Hundred Sixty-Seven Dollars (\$4,845,867) to improve the marketability of the Royal Palm Reserve as an Eco-tourism site, develop new infrastructure and to manage the improvement work for completion in eight months.

# GOVERNANCE

## grants awards

**Negril Coral Reef Preservation Society**  
*Basic Core Funding for the NCRPS to Manage the Negril Marine Park*

Four Million Nine Hundred and Eighty-One Thousand Seven Hundred and Ten Thousand Dollars (\$4,981,710) was awarded to protect and preserve the coral reefs, provide administration and management of activities in the Negril Marine for a period of six months, and to sensitize users of the NMP to its importance and the need for financial support through a variety of public education activities.

**St. Elizabeth 4-H**  
*Development and Implementation of an Integrated Waste Management Programme for the Sydney Pagan Agricultural High School, SPAHS*

Two Million Six Hundred and Twenty-Five Thousand Dollars (\$2,625,000) was awarded for the development and implementation of a comprehensive byproduct utilisation programme for SPAHS. Development and implementation of a maintenance plan for biogas equipment and distribution system. Inclusion of waste management/by-production utilisation module in school's curriculum.

**University of the West Indies, UWI**  
*Support for a National Inventory of Hazardous Materials and Waste and the Research into Options for Safe Disposal*

Five Million Four Hundred and Twenty-Seven Thousand Dollars (\$5,427,000) to develop a Hazardous Waste Inventory. To develop management and disposal policy options for hazardous waste material and to disseminate widely the information available from the project.

**ACTIVE PARTICIPATION OF CHILDREN**

Goal Area 3: Total Grants Awarded 14 totaling JMD \$ 17,610,500

**Association of Clubs, AOC**  
*Support for AOC's Summer Camp Jamboree 2003 for the Participation of 250 Children Ages 6-18 Years*

Two Hundred and Fifty Thousand Dollars (\$250,000) was awarded to help participants to adopt positive attitudes and good values. To expose participants to the use of technology. To build a mini park around 1985 erecting monument for workers in the Petersfield Community.

**Church of God of Prophecy - Golden River**

*Support for the Establishment of a Homework Centre for Children in the Golden River Community in St. Catherine*  
Two Hundred and Sixty Thousand Dollars (\$260,000) was awarded to provide a facility in Golden River conducive to doing homework, with computer and Internet access. To manage and maintain the Golden River community homework centre.

**Girls Town Jamaica**  
*Integrated Wastewater Management Project*

Two Million One Hundred and Ninety-Four Thousand Five Hundred Dollars (\$2,194,500) was awarded to collect, treat and recycle wastewater, improve the aesthetics of Girls' Town through landscaping and to erect a security fencing to protect the property of Girls' Town.

**International School of Jamaica, ISJA**  
*Support for ISJA Earth Child Summer Camp for 60 Children Ages 5-12 Years from Schools in Port Maria*

Two Hundred and Ninety-Eight Thousand Dollars (\$298,000) was awarded to increase awareness of environmental issues and the integration of environmental concepts and activities into school curriculum through teachers and parents functioning as camp counselors through hands on teaching experience.

# GOVERNANCE

## grant awards

### **Jamaica Coalition on the Rights of the Child**

#### *Awareness Building on the Convention of the Rights of the Child Among Teachers in the Primary School System*

Two Million Four Hundred and Seven Thousand and One Hundred Dollars (\$2,407,100) was awarded to provide information on the principles of the Convention of the Rights of the Child and identify and establish networking relationships with professionals and to outline the methodology including lessons learnt in order to develop a framework for increased promotion of child rights as well as wider dissemination of materials.

### **Jamaica National Children's Home, JNCH**

#### *Removal of Garbage, Fencing and Greening of an Area for use by the Children of the Jamaica National Children's Home*

Eight Hundred and Fifty Thousand Dollars (\$850,000) was awarded to fence the eastern boundary of the JNCH and to remove the solid waste, fence the open lot adjacent to the Tegwyns House (Home for the severely disabled), as well as to green the area for use by the children of the JNCH.

### **Jamaican Association on Mental Retardation**

#### *Support for an Integrated Summer Camp for Participation of 95 Mentally Challenged Children Along with Children with No Disabilities*

Two Hundred and Eighteen Thousand Four Hundred Dollars (\$218,400) was awarded to provide a stimulating environment to facilitate an increase in environmental awareness, where children with mental retardation will participate in many activities alongside their no disabled peers.

### **Mustard Seed Communities, MSC**

#### *Development of a Site Evaluation Plan to Eliminate Drainage and Sewage Problems at Mustard Seed Communities in Jerusalem, St. Catherine*

Two Hundred and Seventy-Five Thousand Dollars (\$275,000) was awarded to create a comprehensive site evaluation plan for the elimination of drainage and sewage problems at MSC, Jerusalem.

### **S-Corner Clinic and Community Development**

#### *Improvement of Infrastructure to Satisfy Government's criteria for Support and Delivery of Programme Services*

Four Million Nine Hundred and Fifty Thousand Dollars (\$4,950,000) was awarded to provide support for the renovation and upgrading of the existing facilities, from which they operate so that it will meet the standards stipulated by the Ministry of Health and the Ministry of Education.

### **St. Catherine Community Development Agency (SACDA)**

#### *Support for SACDA's Summer Camp for Improving Environmental Awareness Among 200 Children Ages 6-18 Years.*

Two Hundred and Seven Thousand Dollars (\$207,000) was awarded to provide support to increase awareness among Two Hundred (200) children on issues and practices relating to the environment and to beautify 3 strategic locations in target communities whereby improving waste management in these areas.

### **Universal African Improvement Association Discovery Bay Branch**

#### *Support for the Discovery Bay Environment and Culture Camp 2003 for 80 Children Between Ages 3-16 Years.*

Five Hundred and Sixty-Four Thousand Five

# GOVERNANCE

## grant awards

Hundred Dollars (\$564,500) was awarded to offer support to Fifty (50) to Eighty (80) at-risk youths a wide range of activities and field trips that will stimulate appreciation of the natural environment and pride in community and culture.

### **University of Technology (UTECH) Centre for the Arts**

#### *Tomorrow's Children - Resocialization of Children of Different Social Backgrounds Through the Arts*

Four Million Dollars (\$4,000,000) was awarded to provide support for developing the artistic talent of the children while building their self-esteem and self-value and to increase knowledge and appreciation of new/different social environments.

### **Young Peoples' Movement Youth & Social Club**

#### *Support for Hosting Summer Camp for Participation of 60 Children Ages 4-13 Years.*

Two Hundred and Eighty Seven Thousand Dollars (\$287,000) was awarded to provide support for Summer Camp activities for at least sixty (60) children and to develop skills and talents through various enrichment programmes.

### **Youth Opportunities Unlimited, YOU** *Support for the YOU Summer Enrichment Programme for Secondary and High School Students*

Eight Hundred and Forty Nine Thousand Dollars (\$849,000) was awarded to provide transportation for students on an environmental field trip to YS Falls; engage Thirty-One (31) consultants with the expertise to deliver the workshops for the project and to impart and allow participants to practice simple, marketable Art and Craft Skills.

### **ENVIRONMENTAL AWARENESS & ACTION**

Goal Area 4: Total Grants Awarded 13 totaling JMD \$ 26,607,800

### **Campus Crusade for Christ - Jamaica Youth at the Cross Roads**

Three Million Nine Hundred and Twenty Thousand Dollars (\$3,920,000) was awarded to equip teachers, peer educators, guidance counselors and youth workers to use the Cross Roads curriculum as a tool to help students internalize positive values and beliefs which can guide them to be good decision makers.

### **Friends of the Sea - FOTS**

#### *Building of an Information Kiosk for Public Environmental Awareness and Support for an Expo on Environmental Awareness Week and on the Work of FOTS held at the Island Village Shopping Centre in Ocho Rios*

One Hundred and Seventy Thousand Dollars (\$170,000) was awarded to organise an environmental exposition event at Island Village on 3 June 2002 during Environmental Awareness Week. Utilizing the event as an opportunity to provide environmental education for the communities in the Dunn's River Watershed and to announce the existence of the information kiosk through radio, television and printed media.

### **Geological Society of Jamaica**

#### *Earth Science Week - Increasing Public Awareness of Earth Sciences and its Contribution to national Development*

One Hundred and Twenty-Five Thousand Dollars (\$125,000) was awarded to foster participation and encourage research through a Poster Competition. The grant also included support to highlight the activities of public and private sector agencies involved in the application of the geosciences.

### **International School of Jamaica, ISJA** *Support for the Planning and Implementation of ISJA's 2003 Annual Earth Day Fair*

Two Hundred and Fifty Thousand Dollars (\$250,000) was awarded to allow teachers, students, government agencies

# GOVERNANCE

## grant awards

and non-government organizations to network and to provide opportunity for St. Mary students to display their environmental education accomplishments and increase community awareness to environmental degradation.

### **Jamaica Conservation and Development Trust**

#### *Support for the Planning and Implementation of Green Expo 2004 (Main National Environmental Awareness Exposition)*

Three Million Four Hundred and Eighty-Three Thousand and Three Hundred Dollars (\$3,483,300) was awarded to obtain the necessary private sector sponsorship and other financial assistance, to attract at least 16,000 visitors, plan and effectively execute a well organised event and to evaluate the Green Expo 2004. To involve at least 100 exhibitors from private sector, government agencies, NGO's, CBO's and other countries.

### **Jamaica Environment Trust, JET**

#### *Assistance to JET for the Introduction of the Schools Environment Programme, SEP to Teachers and Schools in St. Lucia*

One Hundred and Fifty Five Thousand Dollars (\$155,000) was awarded to inform CYEN and St. Lucian teachers about the SEP and to assist CYEN in developing a presentation on St. Lucia's environment and its associated problems. The awards also included support for providing additional information to CYEN staff for developing and implementing an environmental education programme in schools and to explore the possibilities for expansion of SEP into other Caribbean islands served by CYEN.

### **Jamaica Institute of Environmental Professionals**

#### *An islandwide Environmental Awareness and Promotional Programmes*

Four Million Nine Hundred and Fifty Thousand Dollars (\$4,950,000) was

awarded to increase awareness among Jamaican citizens about environmental issues and increase the capacity of key agencies to deliver public education initiatives to their target audiences.

### **Jamaica Institute of Environmental Professionals, JIEP**

#### *Greening of Kingston*

Seven Hundred and Forty-Five Thousand Dollars (\$745,000) was awarded to build the capacity of JIEP to mount a promotional campaign with an attempt to engage private sector attention, interest and involvement in stewardship of the environment.

### **Private Sector Organization of Jamaica (Business Council for the Environment)**

#### *Design of Operational Framework for a National Programme to Collect Discarded Packaging Materials*

Four Hundred and Eighty-Nine Thousand Five Hundred Dollars (\$489,500) was awarded to develop a detailed operational framework and implementation plan for the National Container Recovery Programme and to establish Organization.

### **Roots FM 96.1**

#### *Community Education and Interaction on Environmental and Child development Issues Through Radio*

Five Million Dollars (\$5,000,000) was awarded to increase technical and operational staff by 8 persons and to purchase and install new transmitter. To purchase and install outside broadcast unit and other equipment. Purchase or acquire outside broadcast vehicle. To rehabilitate existing transmitter and create stand-by unit. Increase range and quality of program offerings by adding EFJ priority areas. Upgrade skills and knowledge of staff members and recruit, employ and train 6 salespersons. To conduct pre-and post-test of community awareness and to increase strategic development partners.



# GOVERNANCE

## grant awards

### **St. Ann Environment Protection Association**

*Support for a Community Outreach and Education Programme for Sustainable Development in Selected Areas in St. Ann*

Five Million Seven Hundred and Seventy-Eight Thousand Dollars (\$5,778,000) was awarded to promote and encourage sustainable livelihoods and environment-friendly projects in three rural communities in St. Ann. To institute a systematic membership development programme to expand STAEPA's membership base and increase involvement of the wider society in sound environmental stewardship and to improve STAEPA's institutional capacity to develop and manage programme activities consistent with its mission and Strategic Plan.

### **St. Ann Environment Protection Association**

*University of the West Indies, UWI Environmental Education Component of St. Ann Waste Management Partnership Programme*

One Hundred and Fifty Thousand Dollars (\$150,000) was awarded to increase the environmental awareness of the students and staff at four educational institutions in St. Ann, primarily to enable the adoption of appropriate waste management principles, provide materials and expertise for the development of the basic infrastructure needed to implement environment-friendly waste management systems at each site.

**University of the West Indies, UWI**  
*Development of Undergraduate and Postgraduate Programmes in Occupational and Environmental Safety and Health (OESH) at UWI (Related to the Safe Handling of Hazardous Materials)*

One Million Three Hundred and Ninety-Two Thousand Dollars (\$1,392,000) was awarded to develop general interest in Occupational and Environmental Safety and Health in UWI's course content and curriculum and to educate the public on the courses and their potential impact.

# GOVERNANCE

## finance committee report

### ADMINISTRATION

The Committee met twice during the year under review to conduct the business of the Foundation. With the appointment of the new Board in April 2003, the new Vice-Chair of the Board, Mr. James Rawle, joined the Committee. The Board delegated additional responsibility to incorporate administrative overview by the Committee. Accordingly the Committee was renamed Finance and General Purposes Committee.

### INVESTMENT PORTFOLIO

The investment portfolio stood at J\$1.421M at July 31, 2003. Net income earned from investments during the year amounted to J\$261M. The weighted average yield on funds invested for the year was approximately 19.87% compared with the average Government secured fixed income instrument yield of 20.48%, and 18.04% for the previous year.

The average yield increased for the current year due to;

1. The increased ratio of US\$ indexed and similar types of hard currency investments. The foreign exchange gain for the current year was J\$34.3M, compared with J\$5.4M for the previous year.
2. The impact of adopting the new International Financial Reporting Standards (IFRS) and the revaluation of the investments at the end of the year.
3. The revaluation of the investment properties generated J\$3.5M.
4. The increased yields generated on the local currency fixed income instruments (which represent over 96% of the portfolio) during the latter part of the financial year.

The following tables indicate the current allocation of the investment portfolio:  
Allocation among approved Fund Managers

Fund Manager	Balance at 31-Jul-03	% of Total
Barita Portfolio Management Ltd.	682,555,153	48.32%
Scotiabank Jamaica Investment Management Ltd.	575,886,839	40.77%
National Commercial Bank Jamaica Ltd.	86,472,606	6.12%
George and Branday Ltd.	37,052,987	2.62%
Property Holdings	30,500,000	2.16%
	<b>1,142,467,585</b>	<b>100%</b>

### Asset Allocation

Investment Type	Balance at 31-Jul-03	% of Total	Balance at 31-Jul-02	% of Total
Local Registered Stock	710,189,365	50.28%	778,366,471	59.79%
BOJ Reverse Repurchases	225,810,094	15.99%	201,961,257	15.51%
US\$ Bond	212,850,558	15.07%	124,306,872	9.55%
Certificates of Deposits	123,525,596	8.75%	70,147,850	5.39%
Debenture	92,781,820	6.57%	83,322,000	6.40%
Properties	30,500,000	2.16%	27,000,000	2.07%
Quoted Equity	16,810,328	1.19%	16,760,513	1.29%
Total	1,412,467,761	100.00	1,301,864,963	100.00%

The Foundation continues its support of the Negril Coral Reef Preservation Society through the hypothecation of J\$30M from the portfolio to provide security to the European Union for a Banker's Guarantee in connection with its Marine Park Sustainability Project. This project ended in March 2003, and pending the final review by the EU, the hypothecation should be released by December 31, 2003.

# GOVERNANCE

## finance committee report cont'd

### ADMINISTRATIVE EXPENSES

The administrative expense for the year was 19.77% of total inflows. This excess over the 15% as permitted by the Foundation's governing agreement is attributable mainly to the final year of activities

related to the Special Projects Initiative. Although the direct expenditures were largely undertaken by grantees during the year, the Secretariat Staff associated with the administration of the initiative were still on board until the end of the year.

	Expenditure	% of Inflows
Direct Administration	51,160,832	17.39%
Special Projects Administration	6,251,785	2.12%
Special Projects Direct Costs	606,458	0.21%
<b>Total</b>	<b>58,019,075</b>	<b>19.72%</b>

Towards the end of the year, the Board initiated a major restructuring of the Secretariat, which included the merger of the Special Projects Unit with the Projects Unit to form the Programme Department, while at the same time a rationalization of other areas of the Secretariat staff structure to further cut costs while increasing the efficiency of the Secretariat. This rationalization included some redundancies, which further impacted on the total administrative costs for the year.

We have successfully completed the negotiations with both Parties to the Governing Agreement and the EAI/TFCA Secretariat in Washington to change the stipulated Administrative ceiling from 15% of inflows to 25% of grants disbursed, in keeping with global trends for similar funds. Accordingly, the 2003-2004 financial year should see a return to compliance with the administrative ceiling requirement of the Governing Agreement.

### NEW FINANCIAL PRODUCTS

Negotiations continue with several organizations for the provision of debt and equity financing to fund private sector projects which will have a positive impact on the environment. The focus areas for this initiative are:

- a) Conservation & the Sustainable Use and disposal of Resources by Hotels & Attractions.
- b) Pollution Control Initiatives in Commercial Enterprises.
- c) Energy Conservation and the promotion and use of Renewable Energy Resources.
- d) Recycling and Reuse of Waste

Two (2) proposals are currently at the final negotiation stages. The first is a three way partnership between an international funding agency, a local commercial bank and the EFJ, which will provide partially guaranteed, and subsidized finance cost funding to private sector organizations. This facility will target companies requiring funding for technical assistance in retrofitting, establishment of Environmental Management Systems, etc, and which are operating in the Tourism and Manufacturing sectors.

The second is for the expansion of a factory in rural Jamaica, currently interacting with local farmers across the island. This proposal will see the EFJ providing equity financing to the company, therefore allowing it to access loan financing from local commercial banks.

### STATUS OF INFLOWS UNDER THE ENTERPRISE FOR THE AMERICAS AGREEMENT AS AT JULY 31, 2003

Funding Source	Expiry Date	Total Expected Inflows	Actual Inflows	% Received
Fund 1-PL480	Sep 2001	9,197,708	9,197,708	100.00%
Fund 2-AID Debt	Sep 2012	12,489,764	9,418,261	75.41%
<b>Total:</b>		<b>21,687,472</b>	<b>18,615,969</b>	<b>85.84%</b>

# GOVERNANCE

## auditor's report to members

29 October 2003

To the Members of  
Environmental Foundation of Jamaica  
(A company limited by guarantee)

### **Auditors' Report**

We have audited the financial statements set out on pages 18 to 37 and have received all the information and explanations which we considered necessary. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of the company's affairs as at 31 July 2003 and of the movement in the Americas' Funds and statement of cash flows for the year then ended, and have been prepared in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act.



Chartered Accountants  
Kingston, Jamaica

# GOVERNANCE

## statement of changes in the americas' funds

Year ended 31 July 2003

	Note	Fund I \$	Fund II \$	2003 \$	2002 \$
<b>PL480 funds received for year</b>		-	-	-	1,904,334
<b>USAID debt funds received (US\$619,987) for year</b>		-	33,205,605	33,205,605	32,208,962
<b>Investment income earned</b>		142,226,927	82,119,553	224,346,480	211,750,506
<b>Foreign exchange gain</b>		<u>20,737,623</u>	<u>13,555,430</u>	<u>34,293,053</u>	<u>5,373,693</u>
		162,964,550	128,880,588	291,845,138	251,237,495
<b>Investment property rental and loan interest income</b>		3,271,936	-	3,271,936	354,391
<b>Effects of adopting IFRS</b>		<u>1,334,426</u>	<u>1,015,947</u>	<u>2,350,373</u>	<u>3,073,996</u>
		167,570,912	129,896,535	297,467,447	254,665,882
Less:					
<b>Project grants disbursed</b>	3	(80,463,885)	(19,995,793)	(100,459,678)	(96,322,277)
<b>Transfers to administration</b>	4	(3,814,688)	(49,416,662)	(53,231,350)	(69,673,008)
<b>Investment advisers' fees</b>	7	<u>(6,543,846)</u>	<u>(3,457,347)</u>	<u>(10,001,193)</u>	<u>(10,315,722)</u>
<b>Surplus for year</b>		76,748,493	57,026,733	133,775,226	78,354,875
<b>Fund balance at beginning of year</b>		<u>850,797,239</u>	<u>526,956,451</u>	<u>1,377,753,690</u>	<u>1,299,398,815</u>
<b>Fund balance at end of year</b>		<u><u>927,545,732</u></u>	<u><u>583,983,184</u></u>	<u><u>1,511,528,916</u></u>	<u><u>1,377,753,690</u></u>

# GOVERNANCE

## balance sheet

31 July 2003

	Note	2003 \$	2002 \$
<b>NET ASSETS EMPLOYED</b>			
<b>Fixed Assets</b>	9	9,879,813	11,807,040
<b>Investment Properties</b>	10	30,500,000	27,000,000
<b>Held to Maturity Investments</b>	11	1,248,725,629	1,183,705,258
Available-for-sale Investments	12	16,810,328	16,760,512
<b>Long Term Loans Receivable</b>	13	625,442	409,672
<b>Current Assets</b>			
Accrued interest income		55,009,250	44,368,721
Other accounts receivable and prepayments	14	1,287,336	1,243,423
Recoverable taxes	15	21,108,528	19,243,438
Available-for-sale investments	12	125,299,044	79,142,663
Current portion of long term receivable	13	6,008,957	5,668,692
Cash and bank balances		12,358,526	1,646,482
		221,071,641	151,313,419
<b>Current Liabilities</b>			
Bank overdraft		-	714,430
Accounts payable and accrued charges		8,316,770	4,410,711
Bernard van Leer Fund	16	2,843,903	274,327
		11,160,673	5,399,468
<b>Net Current Assets</b>		209,910,968	145,913,951
		<u>1,516,452,180</u>	<u>1,385,596,433</u>
<b>FINANCED BY</b>			
<b>Administration Fund Expenses Recoverable</b>	4	(6,729,997)	(3,964,297)
<b>Fair Value Reserves</b>		1,773,448	-
<b>Capital Reserves</b>	8	9,879,813	11,807,040
<b>Americas' Funds</b>		1,511,528,916	1,377,753,690
		<u>1,516,452,180</u>	<u>1,385,596,433</u>

Approved on behalf of the Board of Directors

  
 Jeanne Robinson (Chairman)

  
 Earl Jarrett (Treasurer)

# GOVERNANCE

## statement of cash flows

Year ended 31 July 2003

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
<b>CASH RESOURCES WERE (USED IN)/PROVIDED BY:</b>		
Surplus for year	133,775,226	78,354,875
Items not affecting cash resources:		
Increase in amount due to Administration Fund	(2,765,700)	(3,283,185)
Fair value adjustments	(7,093,792)	(4,743,470)
(Increase)/Decrease in Investment properties	(3,500,000)	5,156,402
(Increase)/Decrease in Current Assets		
Accrued interest income	(10,640,529)	(7,896,782)
Other accounts receivable and prepayments	(43,913)	(669,273)
Recoverable taxes	(1,865,090)	10,629,115
Increase/(Decrease) in Current Liabilities		
Accounts payable and accrued charges	3,906,059	879,666
Bernard van Leer Fund	2,569,576	(1,954,367)
	<u>114,341,837</u>	<u>76472,981</u>
<b>Cash Flow From Investing Activities</b>		
Investments – held to maturity	(57,926,579)	(62,660,634)
Investments – available for sale	(44,432,749)	(14,896,235)
Loans receivable	(556,035)	(5,463,764)
	<u>(102,915,363)</u>	<u>(83,020,633)</u>
Increase/(Decrease) in cash and cash equivalents	11,426,474	(6,547,652)
Cash and cash equivalent at beginning of year	932,052	7,479,704
Cash and cash equivalent at end of year	<u>12,358,526</u>	<u>932,052</u>
<b>Represented by:</b>		
Cash and bank	12,358,526	1,646,482
Bank overdraft	-	(714,430)
	<u>12,358,526</u>	<u>932,052</u>

# GOVERNANCE

## notes to financial statements

31 July 2003

### 1. Identification and Activities

The company is limited by guarantee and was incorporated in Jamaica on 18 November 1992. The company was established pursuant to an agreement between the Government of the United States of America and the Government of Jamaica concerning the establishment of an Enterprise for the Americas Environmental Foundation. This agreement referred to as "The Enterprise for the Americas Initiative Framework Agreement" (EAI Agreement) was signed on 26 November 1991 and amended effective 27 August 1993. The agreement provides for the creation of a special Americas Fund to be administered by the company in accordance with agreement terms and the company's memorandum and articles of association.

The main objectives of the company which are in conjunction with the EAI Agreement are as follows:

- i) to promote and implement activities designed to conserve and manage the natural resources and environment of Jamaica in the interest of sustainable development and ;
- ii) to encourage the improvement of child survival and child development in Jamaica .

The company pursues its objectives mainly through the granting of funds to organizations, for qualified projects based on established criteria, by carrying out specific educational activities and rendering technical assistance towards its objectives. Operations commenced in August 1993.

All amounts in these financial statements are stated in Jamaican dollars, unless otherwise indicated.

### 2. Summary of Significant Accounting Policies

#### (a) Basis of preparation

Jamaica adopted International Financial Reporting Standards (IFRSs) as its national accounting standards, effective for accounting periods beginning on or after 1 July 2002. The financial statements for the year ended 31 July 2003 have therefore been prepared in accordance and comply with IFRSs and comparative information has been restated to conform with the provisions of IFRSs. The effect of adopting IFRSs on the equity and the Americas' funds as previously reported is detailed in Note 22.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and available-for-sale investment securities.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

#### (b) Americas' funds

Grant funds received by the company under the Enterprise of the Americas Initiative Framework Agreement including investment income are recorded at cost and credited directly to Americas' Funds Account until disbursed.



31 July 2003

**2. Summary of Significant Accounting Policies (Continued)****(c) Property, plant and equipment**

Fixed assets are recorded at cost and depreciated on the straight-line basis over their estimated useful lives. Annual depreciation rates are as follows:

Motor vehicles	20%
Computers	25%
Leasehold improvements	12 ½%
Furniture and fixtures	10%

**(d) Investment properties**

Investment properties, principally comprising office buildings, are held for long-term rental yields. The Foundation's Secretariat pays rental for the use of an office building, which is an investment property of the Americas' Funds. Investment properties are treated as long-term investments and are carried at fair value, representing open market values determined annually by external valuers. Changes in fair values are recorded in the Americas' Funds and are included in investment income due to the nature of the Foundation's operations.

**(f) Impairment of non-current assets**

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

**(e) Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and bank balances, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts.

**(f) Administration fund/deferred income**

Where funds received for administration expenses are insufficient to cover these expenses, the over expended balance, referred to as administration fund, is recoverable from the Americas' Funds. While funds received for administration expenses, which are unexpended, are referred to as deferred income.

**(g) Capital reserves**

The cost of fixed assets acquired from grant funds, for administrative purposes, is credited directly to capital reserves and is written off to the administration fund account over the useful life of the relevant assets.

**(h) Foreign currency translations**

During the year transactions in foreign currencies were translated at the rate ruling at the date of the transaction. Balances due or payable in foreign currencies are translated at the rate of exchange ruling at balance sheet date. Translation differences on monetary financial assets measured at fair value are included in foreign exchange gains or losses. Translation differences on non-monetary items are reported as part of the fair value gains or losses.

31 July 2003

**2. Summary of Significant Accounting Policies (Continued)****(i) Investments**

The company classifies its investments in debt and equity securities into available-for-sale and held-to-maturity categories. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation. Investments with a fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets except for maturities within 12 months from the balance sheet date which are classified as current assets. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has the expressed intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Available-for-sale investments are carried at fair value. Held-to-maturity investments are carried at amortized cost using the effective yield method. Fair values of quoted investments are based on the quoted bid prices.

Purchases and sales of investments are recognised on the trade date, which is the date that the company commits to purchase or sell the asset. The cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value. Unrealised gain and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in the Americas' Funds. The fair values of investments are based on quoted bid prices or amounts derived from cash flow models. Fair values for unlisted equity securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment. Upon sale or impairment of securities classified as available-for-sale, the accumulated fair value adjustments are included in the Americas' Funds as gains and losses from investment securities.

**(j) Comparative information**

Where necessary, comparative figures have been adjusted to conform with changes in presentation and to conform with International Financial Reporting Standards.

**(k) Americas' funds**

As outlined in note 1, the EAI Agreement provides for the establishment of a special Americas' Fund to be administered by the company in pursuit of its objectives. Under this arrangement, specific amounts due by the Government of Jamaica to the Government of the United States of America are paid into the fund in accordance with provisions of two debt reduction agreements (Agreement I and Agreement II). Agreement I relate to funds owed under the U.S. PL480 programme and Agreement II relates to funds owed under a specific USAID debt Agreement.

In accordance with the EAI Agreement, all funds deposited into the fund, including investment income earned, belongs to the Government of Jamaica until disbursed in accordance with stipulated guidelines.

The two funds should not be co-mingled

# GOVERNANCE

## notes to financial statements cont'd

31 July 2003

### 3. Project Grants Disbursed

	Fund I \$	Fund II \$	Total \$
Projects' disbursements (Net)	80,463,885	19,995,793	100,459,678

#### Disbursements

Allocated as follows:

##### Grantees

3D Projects	155,000	-	155,000
Association of Clubs	-	1,398,000	1,398,000
Birdlife Jamaica	648,706	-	648,706
Bowden Pen Farmers Association	2,565,423	-	2,565,423
Buff Bay Development Action Committee	191,715	-	191,715
Campus Crusade for Christ	-	2,591,881	2,591,881
Children's Issues Coalition	-	813,900	813,900
Construction Resource & Development Centre	343,000	-	343,000
Council of Voluntary Social Services	1,863,356	-	1,863,356
Dudley Grant Memorial Trust	-	2,445,429	2,445,429
Friends of the Sea	9,197,375	-	9,197,375
Geological Society of Jamaica	125,000	-	125,000
Girls Town Jamaica	-	2,178,750	2,178,750
Hope Worldwide Jamaica	-	562,570	562,570
International Centre for Environment and Nuclear Sciences	1,690,000	-	1,690,000
International School of Jamaica	2,987,500	298,000	3,285,500
Jamaica Coalition of the Rights of the Child	-	2,407,100	2,407,100
Jamaica Conservation & Development Trust	6,645,743	-	6,645,743
Jamaica Environment Trust	15,172,076	-	15,172,076
Jamaica Hotel & Tourist Association	194,911	-	194,911
Jamaica Institute for Environmental Professional	1,141,453	-	1,141,453
Jamaica National Children's Home	-	615,664	615,664
Jamaica Society for Agricultural Sciences	307,000	-	307,000
Jamaica Youth Development Foundation	-	1,521,500	1,521,500
Jamaican Association on Mental Retardation	-	218,000	218,000
Knox Educational Study Tour (K.E.S.T)	425,479	-	425,479
Mustard Seed Communities	-	250,000	250,000
National Environmental Societies Trust	7,457,179	-	7,457,179
National Wildlife Foundation	1,811,654	-	1,811,654
Negril Area Environmental Protection Trust	4,845,866	-	4,845,866
Negril Coral Reef Preservation Society	4,926,433	-	4,926,433
North East Affiliate – Habitat for Humanity	100,000	-	100,000
Operation Restoration Ministry	869,250	791,500	1,660,750
Optimist Club of Kingston	286,000	-	286,000
People's Action for Community Transformation	2,239,448	-	2,239,448
Private Sector Organization of Jamaica	345,000	-	345,000
Rio Cobre Goat Breeders Association	27,586	-	27,586
<b>Sub-total carried forward</b>	<b>66,562,153</b>	<b>16,092,294</b>	<b>82,654,447</b>

# GOVERNANCE

## notes to financial statements cont'd

31 July 2003

### 3. Project Grants Disbursed (Continued)

	<b>Fund I</b>	<b>Fund II</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance brought forward</b>	66,562,153	16,092,294	82,654,447
Roots FM 96.1	1,000,000	-	1,000,000
Rural Family Support Organization	1,774,674	-	1,774,674
St. Andrew Parish Church	-	303,335	303,335
St. Ann Environment Protection Association	3,755,455	-	3,755,455
St. Catherine Community Development Agency	-	207,000	207,000
St. Elizabeth 4-H	1,657,995	-	1,657,995
St. Thomas Environmental Protection Association	61,000	-	61,000
Taicus Golding High School Parents Teachers Association	-	223,340	223,340
Universal African Improvement Association Discovery Bay Branch	-	554,000	554,000
University of Technology Centre of Arts	-	1,348,028	1,348,028
University of the West Indies	4,468,000	-	4,468,000
University of the West Indies – Department of Geography and Geology	750,000	-	750,000
University of the West Indies – Department of Life Sciences	1,015,500	-	1,015,500
Western Society for the Upliftment of Children	-	1,190,000	1,190,000
Young People's Movement Youth and Social Club	-	273,700	273,700
Youth Opportunities Unlimited	-	746,520	746,520
<b>Sub – total Disbursements</b>	<b>81,044,777</b>	<b>20,938,217</b>	<b>101,982,994</b>
<b>Refunds</b>			
Dudley Grant Memorial Trust	-	(128,786)	(128,786)
Hanover Mediation Centre	-	(1,979)	(1,979)
Jamaica Solar Energy Association	(557)	-	(557)
JET/JDCT	(1,000)	-	(1,000)
National Arboretum Foundation	(80,000)	-	(80,000)
Portmore Joint Citizens Association	(225,500)	-	(225,500)
Rural Family Support Organization	(583)	(746,632)	(747,215)
University of the West Indies	(267,343)	(65,026)	(332,369)
University of the West Indies – St. Authur Lewis Institute for Life and Economic Studies	(5,910)	-	(5,910)
<b>Sub – total Refunds</b>	<b>(580,893)</b>	<b>(942,423)</b>	<b>(1,523,316)</b>
<b>Net Disbursements</b>	<b>80,463,885</b>	<b>19,995,793</b>	<b>100,459,678</b>

# GOVERNANCE

## notes to financial statements cont'd

31 July 2003

#### 4. Administration Fund/Deferred Income

Article VII (2) of the EAI Agreement (see note 1) empowers the company's board of directors to draw from the Americas' Funds, sums necessary for its administrative expenses. The sums drawn should not exceed 15% of the fund's inflows unless specially agreed. Amounts are transferred to the company's administration fund in accordance with this provision to meet administrative expenses. The under/(over) expended balance is deferred income/(expenses recoverable) to the company and is comprised as follows:-

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Grant funds transferred from Americas' Funds (page 1)	53,231,350	69,673,008
Less: Cost of fixed assets purchased, transferred to capital reserves	(1,618,724)	(6,742,554)
Add: Cost of fixed assets disposed, released from capital reserves	1,352,016	-
	<u>52,964,642</u>	<u>62,930,454</u>
Other income	94,798	275,728
	<u>53,059,440</u>	<u>63,206,182</u>
Released from capital reserves (note 8)	3,165,729	2,624,973
Released to capital reserves	(971,794)	-
Less: Administrative expenses for the year (note 5)	<u>(58,019,075)</u>	<u>(69,114,340)</u>
	<u>(2,765,700)</u>	<u>(3,283,185)</u>
Balance at beginning of year	<u>(3,964,297)</u>	<u>(681,112)</u>
Expenses recoverable from America's fund	<u>(6,729,997)</u>	<u>(3,964,297)</u>

Administrative expenses during the year exceeded the maximum 15% of inflows permitted as indicated below:-

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
15% of inflows for year	44,267,569	37,738,782
Less: Administrative expenses for the year	<u>(58,019,075)</u>	<u>(69,114,340)</u>
Excess Expenditure	<u>(13,751,506)</u>	<u>(31,375,558)</u>

Administrative expenses include the following components:-

	<b>2003</b>	<b>2003</b>	<b>2002</b>	<b>2002</b>
	<b>\$</b>	<b>% of</b>	<b>\$</b>	<b>% of</b>
		<b>Inflows</b>		<b>Inflows</b>
Direct administration	51,160,831	17.58%	51,604,574	20.54%
Special projects' administration	6,251,785	1.92%	5,297,861	2.11%
Special projects' direct costs	606,459	0.21%	12,211,905	4.86%
	<u>58,019,075</u>	<u>19.71%</u>	<u>69,114,340</u>	<u>27.51%</u>

Administrative expenses include the direct and indirect costs of projects undertaken by the Special Projects Unit established by the Secretariat in July 2000. Special projects are those which have significant environmental importance to a specific location of the country and require large capital investments and the input of a wide range of stakeholders.

During the year, the Foundation's Board approved \$24,753,835 of special projects direct expenditure to be granted to Non-governmental Organisations. Of this budgeted amount, special projects direct expenditures of \$11,577,978 during the year, were recorded as project grants for five Non-governmental Organisations and included in the project grant disbursed, shown in note 3 (\$11,327,978 in Fund I and \$250,000 in Fund II).

# GOVERNANCE

## notes to financial statements cont'd

31 July 2003

### 5. Administrative Expenses

The following items have been charged to administrative expenses:

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Depreciation	3,165,729	2,624,973
Gain on sale of fixed assets	94,798	-
Auditors' remuneration -		
Current year	820,000	720,000
Prior year	36,000	95,000
Repairs and maintenance	979,880	958,580
Bank and finance charges	201,927	171,283
Staff costs (note 6)	<u>31,212,215</u>	<u>21,796,539</u>

### 6. Staff Costs

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	26,009,637	18,670,530
Statutory contributions	2,593,973	1,619,744
Pension costs	726,718	731,239
Other	<u>836,766</u>	<u>775,029</u>
	30,167,094	21,796,539
Redundancy	<u>1,045,121</u>	-
	<u>31,212,215</u>	<u>21,796,539</u>

During the year, the company's Board initiated a restructuring of the Secretariat, which resulted in three positions being made redundant.

The average number of persons employed by the company during the year was 20 (2002: 20).

### 7. Investment Advisers' Fees

The EAI Agreement (note 1) mandates the company to appoint one or more Investment Advisers to manage its investments. Investment Advisers' fees for year are comprised as follows:

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Barita Portfolio Management Limited	6,030,031	6,461,999
Scotiabank Jamaica Trust & Merchant Bank Limited	<u>3,971,162</u>	<u>3,853,723</u>
	<u>10,001,193</u>	<u>10,315,722</u>

## notes to financial statements cont'd

31 July 2003

### 8. Capital reserves

The cost of capital assets acquired using administration grant funds received is credited to capital reserves and released to the administration fund over the life of the relevant assets by reference to depreciation charges. The balance is comprised as follows:-

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	11,807,040	7,689,459
Capital assets acquired from administration grant funds	1,618,724	6,742,554
Disposal of capital assets	(1,352,016)	(114,882)
Accumulated depreciation on capital assets disposed	971,794	114,882
	<u>13,045,542</u>	<u>14,432,013</u>
Less:		
Transfers to administration fund (depreciation) current year	<u>(3,165,729)</u>	<u>(2,624,973)</u>
Balance at end of year	<u>9,879,813</u>	<u>11,807,040</u>

### 9. Fixed Assets

	<b>Motor Vehicles</b>	<b>Computers</b>	<b>Leasehold</b>	<b>Furniture</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>Improvements</b>	<b>and Fixtures</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
At Cost or Valuation -					
At 1 August 2002	8,563,618	4,641,395	3,887,779	4,510,658	21,603,450
Additions	869,719	133,786	438,100	177,119	1,618,724
Disposal	(1,352,016)	-	-	-	(1,352,016)
At 31 July 2003	<u>8,081,321</u>	<u>4,775,181</u>	<u>4,325,879</u>	<u>4,687,777</u>	<u>21,870,158</u>
Depreciation -					
At 1 August 2002	5,620,155	2,421,272	277,278	1,477,705	9,796,410
Charge for the year	1,380,378	816,036	511,993	457,322	3,165,729
Relieved on disposal	(971,794)	-	-	-	(971,794)
At 31 July 2003	<u>6,028,739</u>	<u>3,237,308</u>	<u>789,271</u>	<u>1,935,027</u>	<u>11,990,345</u>
Net Book Value -					
31 July 2003	<u>2,052,582</u>	<u>1,537,873</u>	<u>3,536,608</u>	<u>2,752,750</u>	<u>9,879,813</u>
31 July 2002	<u>2,943,463</u>	<u>2,220,123</u>	<u>3,610,501</u>	<u>3,032,953</u>	<u>11,807,040</u>

31 July 2003

### 10. Investment Properties

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
At beginning of year	27,000,000	32,156,402
Revaluation gain/(loss)	3,500,000	(5,156,402)
At end of year	<u>30,500,000</u>	<u>27,000,000</u>

The investment properties were valued as at 31 July 2003 at open market value by an independent professionally qualified valuer.

### 11. Held-to-Maturity Investments

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
At beginning of year	1,183,705,258	1,116,301,154
Additions	57,926,579	62,660,634
Fair value adjustment	7,093,792	4,743,470
At end of year	<u>1,248,725,629</u>	<u>1,183,705,258</u>
Non-current (See note 17)	<u>1,248,725,629</u>	<u>1,183,705,258</u>

### 12. Available-for-Sale Investments

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
At beginning of year	95,903,175	81,006,940
Additions/(disposals)	44,432,749	14,896,235
Fair value adjustment	1,773,448	-
At end of year	<u>142,109,372</u>	<u>95,903,175</u>
Current (See note 17)	125,299,044	79,142,663
Non-current (See note 17)	16,810,328	16,760,512
	<u>142,109,372</u>	<u>95,903,175</u>

Available-for-sale investments, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 July. For investments traded in active markets, fair value is determined by reference to the Jamaica Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to discounted cash flows of the underlying net assets.

Available-for-sale investments are classified as non-current assets, unless they are expected to be realised within twelve months of the balance sheet date or unless they will need to be sold to raise operating capital.



31 July 2003

### 13. Long Term Loan Receivable

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
(a) Negril Coral Reef Preservation Society	5,934,976	5,668,692
(b) Southern Trelawny Environmental Agency	409,672	409,672
(c) Association of Clubs	289,750	-
	<u>6,634,398</u>	<u>6,078,364</u>
Current portion	<u>(6,008,956)</u>	<u>(5,668,692)</u>
	<u>625,442</u>	<u>409,672</u>

- (a) This represents the bridge financing of a Negril Coral Reef Preservation Society project pending the receipt of grant funding from the European Commission. Interest is earned on the loan at 6% per annum and both principal and interest are repayable on or before September 2003.
- (b) This represents a loan made on 2 November 2001 to defray losses incurred during the Trelawny Yam Festival 2000. The loan attracts interest, however neither the interest rate nor the duration of the loan were agreed at 31 July 2003.
- (c) This loan was made on 11 October 2002 and has tenure of five years with a one-year moratorium. Quarterly repayments of \$25,000 are scheduled to begin 1 November 2003. No interest is earned on the loan.

### 14. Other receivables and prepayments

This balance is comprised as follows:-

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Prepayments	252,031	507,313
Other	1,035,305	736,110
	<u>1,287,336</u>	<u>1,243,423</u>

The other accounts receivable is stated after provision of \$4,517,336 (2002 - \$4,517,336), representing the balance outstanding on an investment instrument with face value of \$15,517,336 from Buck Securities Limited, a former fund manager, of which \$11,000,000 has been recovered.

### 15. Recoverable taxes

The company has been granted a waiver of all taxes in accordance with Article III of the agreement between the Government of Jamaica and the Government of the United States of America concerning an Enterprise for the Americas Foundation and in accordance with the provisions of Section 86 of the Income Tax Act. Withholding taxes were deducted from certain interest income received and general consumption tax paid on certain assets purchased and administrative expenses. These amounts are therefore recoverable from the relevant authorities.

# GOVERNANCE

## notes to financial statements cont'd

31 July 2003

### 16. Bernard Van Leer Fund

The Foundation has entered into a partnership with the Bernard Van Leer Foundation for financial and technical support for a project entitled 'Child Support Program' which is to be managed by the Foundation. The balance on the account represents installments received to date less amounts disbursed as follows:

	<b>US \$</b>	<b>JA \$</b>
Opening balance of fund – 1 August 2002	5,661	274,327
Funds received during the year	<u>121,200</u>	<u>6,114,883</u>
	<u>126,861</u>	<u>6,389,210</u>
<b>Direct Costs</b>		
Personnel	22,613	1,136,000
Development and training	38,634	1,940,859
Workshop	3,123	156,900
Publication	<u>6,202</u>	<u>311,548</u>
	<u>70,572</u>	<u>3,545,307</u>
Closing balance of fund – 31 July 2003	<u><u>56,289</u></u>	<u><u>2,843,903</u></u>

### 17. Breakdown of Investments by Investment Adviser

	<b>Under Previous Jamaican GAAP</b>	<b>Effect of Transition to IFRS</b>	<b>IFRS</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Investment Adviser			
Barita Portfolio Management Limited	665,744,998	2,354,638	668,099,636
Scotiabank Jamaica Trust & Merchant	<u>575,886,839</u>	<u>4,739,154</u>	<u>580,625,993</u>
<b>Held to maturity</b> (See note 11)	<u>1,241,631,837</u>	<u>7,093,792</u>	<u>1,248,725,629</u>
National Commercial Bank	86,472,610	1,266,693	87,739,303
George & Branday Limited	<u>37,052,986</u>	<u>506,755</u>	<u>37,559,741</u>
<b>Available for sale- current</b> (See note 12)	<u>123,525,596</u>	<u>1,773,448</u>	<u>125,299,044</u>
Barita Portfolio Management Limited - Quoted Equities (See note 12)	16,810,328	-	16,810,328
Secretariat	<u>30,500,000</u>	<u>-</u>	<u>30,500,000</u>
	<u>47,310,328</u>	<u>-</u>	<u>47,310,328</u>
	<u><u>1,412,467,761</u></u>	<u><u>8,867,240</u></u>	<u><u>1,421,335,001</u></u>

31 July 2003

### 17. Breakdown of investments by Investment Advisers (Continued)

#### Investment Adviser

Barita Portfolio Management Limited  
 Scotiabank Jamaica Trust & Merchant Bank Limited

Fair value adjustment  
 Total (See note 11)

#### Held to Maturity

	Fund I	Fund II	Total
	\$	\$	\$
	448,845,258	216,899,740	665,744,998
	356,704,875	219,181,964	575,886,839
	805,550,133	436,081,704	1,241,631,837
	4,469,088	2,624,704	7,093,792
	810,019,221	438,706,408	1,248,725,629

#### Available for Sale

National Commercial Bank  
 George & Branday Limited

Fair value adjustment

Investment property (See note 10)  
 Quoted equities (See note 12)

	Fund I	Fund II	Total
	\$	\$	\$
	39,876,480	46,596,808	86,473,288
	18,196,861	18,856,126	37,052,987
	58,073,341	65,452,934	123,526,275
	598,649	1,174,799	1,773,448
	58,671,990	66,627,733	125,299,723
	30,500,000	-	30,500,000
	16,810,328	-	16,810,328
	105,982,318	66,627,733	172,610,051
	916,001,539	505,334,141	1,421,335,680

### 18. Commitments

As at 31 July 2003, the company had project grant funds committed and not disbursed of approximately \$204,124,215.

### 19. Pension Scheme

The company is a participating employer in a joint defined contribution pension scheme, which is open to all permanent employees and administered by the trustees.

The pension scheme, which commenced on 1 August 1999, is funded by employee contributions at 5% of pensionable salary with the option to contribute an additional 5% and employer contributions at 5% of pensionable salary. A member at normal retirement will be entitled to an annual pension of an amount such that the value, as determined by the Actuary, of this pension and any benefits contingent upon his death shall be equivalent to the Member's Account at the date of his retirement.

### 20. Contingency

A letter of guarantee valuing thirty million dollars (\$30,000,000) has been issued by National Commercial Bank to the European Commission at the request of the Foundation, to enable Negril Coral Reef Preservation Society to access mobilization funds from the Commission. The guarantee expires on March 31, 2004.

31 July 2003

### 21. Financial Risk Management

#### (a) Financial risk factors

##### Currency risk

The balances at 31 July 2003 include aggregate net foreign currency assets of approximately US\$3,691,795 (2002 – US\$2,586,132) in respect of transactions in the ordinary course of business.

#### (b) Fair values

The amount included in the financial statements for cash and bank balances, short-term loan, accounts receivable, accounts payables and other liabilities reflect their approximate fair value because of the short-term maturity of these instruments.

### 22. Effect of Transition to IFRS

#### (a) Reconciliation of equity at 1 August 2001

	<b>Previous Jamaican GAAP \$</b>	<b>Effect of Transition to IFRS \$</b>	<b>IFRS \$</b>
<b>Assets</b>			
Fixed assets	7,689,459	-	7,689,459
Investment properties	32,156,402	-	32,156,402
Held to maturity investments	1,114,631,680	1,669,474	1,116,301,154
Available –for-sale investments	12,803,633	-	12,803,633
<b>Total Non-Current Assets</b>	<u>1,167,281,174</u>	<u>1,669,474</u>	<u>1,168,950,648</u>
Accrued interest receivable	36,471,939	-	36,471,939
Other receivables	574,150	-	574,150
Recoverable taxes	29,872,553	-	29,872,553
Available –for-sale investments	68,203,307	-	68,203,307
Loan receivable	614,600	-	614,600
Cash and bank	7,479,704	-	7,479,704
<b>Total Current Assets</b>	<u>143,216,253</u>	<u>-</u>	<u>143,216,253</u>
<b>Total Assets</b>	<u>1,310,497,427</u>	<u>1,669,474</u>	<u>1,312,166,901</u>

# GOVERNANCE

## notes to financial statements cont'd

31 July 2003

### 22. Effect of Transition to IFRS (Continued)

#### (a) Reconciliation of equity at 1 August 2001 (Continued)

	<b>Previous Jamaican GAAP \$</b>	<b>Effect of Transition to IFRS \$</b>	<b>IFRS \$</b>
Liabilities			
Payables	3,531,045	-	3,531,045
Bernard Van Leer	2,228,694	-	2,228,694
<b>Total liabilities</b>	<u>5,759,739</u>	<u>-</u>	<u>5,759,739</u>
<b>Total Assets less Total Liabilities</b>	<u>1,304,737,688</u>	<u>1,669,474</u>	<u>1,317,926,640</u>
<b>Financed by</b>			
Administration Fund	(681,112)	-	(681,112)
Capital reserves	7,689,459	-	7,689,459
Fair value reserves	-	-	-
Americas' Fund	1,297,729,341	1,669,474	1,299,398,815
	<u>1,304,737,688</u>	<u>1,669,474</u>	<u>1,306,407,162</u>

#### (b) Reconciliation of equity at 31 July 2002

	<b>Previous Jamaican GAAP \$</b>	<b>Effect of Transition to IFRS \$</b>	<b>IFRS \$</b>
<b>Assets</b>			
Fixed assets	11,807,040	-	11,807,040
Investment properties	27,000,000	-	27,000,000
Held to maturity investments	1,178,961,788	4,743,470	1,183,705,258
Available –for-sale investments	16,760,512	-	16,760,512
Long term receivable	409,672	-	409,672
<b>Total Non-Current Assets</b>	<u>1,234,939,012</u>	<u>4,743,470</u>	<u>1,239,682,482</u>
Accrued interest receivable	44,368,721	-	44,368,721
Other receivables	1,243,423	-	1,243,423
Recoverable taxes	19,243,438	-	19,243,438
Available –for-sale investments	79,142,663	-	79,142,663
Loan receivable	5,668,692	-	5,668,692
Cash and bank	1,646,482	-	1,646,482
<b>Total Current Assets</b>	<u>151,313,419</u>	<u>-</u>	<u>151,313,419</u>
<b>Total Assets</b>	<u>1,386,252,431</u>	<u>4,743,470</u>	<u>1,390,995,901</u>

## notes to financial statements cont'd

31 July 2003

### 22. Effect of Transition to IFRS (Continued)

#### (b) Reconciliation of equity at 31 July 2002 (Continued)

	<b>Previous Jamaican GAAP \$</b>	<b>Effect of Transition to IFRS \$</b>	<b>IFRS \$</b>
Liabilities			
Bank overdraft	714,430	-	714,430
Payables	4,410,711	-	4,410,711
Bernard Van Leer	274,327	-	274,327
<b>Total liabilities</b>	<u>5,399,468</u>	<u>-</u>	<u>5,399,468</u>
<b>Total Assets less Total Liabilities</b>	<u>1,380,852,963</u>	<u>4,743,470</u>	<u>1,385,596,433</u>
<b>Financed by</b>			
Administration Fund	(3,964,297)	-	(3,964,297)
Capital reserves	11,807,040	-	11,807,040
Fair value reserves	-	-	-
Americas' Fund	1,373,010,220	4,743,470	1,381,010,220
	<u>1,380,852,963</u>	<u>4,743,470</u>	<u>1,385,596,433</u>

# GOVERNANCE

## auditors report to directors

29 October 2003

To the Directors of  
Environmental Foundation of Jamaica  
(A company limited by guarantee)

### **Auditors' Report**

The supplementary information set out on page 37 taken from the accounting records of the company, has been subjected to the tests and other auditing procedures applied in our examination of the company's financial statements for the year ended 31 July 2003.

In our opinion, this information, although not necessary for a fair presentation of the company's state of affairs, statement of movement in Americas' Funds or cash flows, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Chartered Accountants  
Kingston, Jamaica

# GOVERNANCE

## administrative expenses

31 July 2003

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Advertising and promotion	522,515	784,467
Audit fees -		
Current year	820,000	720,000
Prior year	36,000	95,000
Bank and finance charges	201,927	171,283
Business meetings	281,855	451,414
Depreciation	3,165,729	2,624,973
Electricity	654,738	525,364
Entertainment	2,330	-
Equipment insurance	463,487	140,735
Foreign travel and accommodation	-	1,123,364
Legal fees	398,780	371,010
Local travel and accommodation	91,501	214,670
Motor vehicle expenses	2,340,946	2,010,899
Office and general expenses	751,251	1,157,990
Office rental	1,691,550	2,685,638
Postage	40,897	44,130
Printing and stationery	984,510	1,165,925
Professional and consultancy fees	2,683,242	7,603,027
Programme support cost	21,000	1,027,050
Public relations	924,237	4,358,032
Repairs and maintenance - office	979,880	958,580
Salaries and related expenses	31,212,215	21,796,539
Security	954,010	-
Subscription and donation	189,540	371,342
Telephone	918,753	968,204
Training	781,446	192,878
Water	48,492	42,060
	<u>51,160,831</u>	<u>51,604,574</u>
Special project direct expense:-		
Biodiversity project	-	385,926
Child sector project	388,368	181,063
Coastal zone project	26,880	32,799
Dunn's river watershed project	99	3,315,809
Hope gardens project	20,000	2,677,075
Hope zoo project	-	1,637,573
National heroes park	(52,355)	3,471,839
Spinal forest project	223,467	509,821
	<u>606,459</u>	<u>12,211,905</u>
Special project administration expenses	6,251,785	5,297,861
	<u>58,019,075</u>	<u>69,114,340</u>



# GOVERNANCE

## membership & community relations report

The Foundation initiated a period of reflection in which it utilized the expertise within the membership to help define the strategic direction of the Foundation's programmes. The Membership defined a more programmed approach to grant making in which they would perform a more central role in the marketing and promotion of the Foundation's work. In this new approach the umbrella organizations and members would become the main conduit through which fledgling organizations access information and grant support.

### Membership Support and Development

The Membership programme was integrated with core business and the activities driven by the capacity and promotional needs of the members. Investment in the capacity of the main umbrella organizations, National Environmental Societies Trust and the Council for Voluntary Social Services were supported to provide technical assistance and training and volunteer support to emerging groups engaged in environmental management and child survival initiatives.

### Governance

Twenty-eight members attended the Annual General Meeting held on 6 December 2002, and were presented certificates of renewal. A review of the membership was done to ascertain their compliance with membership requirements and interest in retaining membership. The investigation of their record of activities, governance arrangements and financial status indicated that nine members had to be retired. These members were either defunct, had no real community support, or did not wish to retain membership.

The three longest serving NGO Directors, Mr. Earl Jarrett, Dr. David Smith, and Mr. Paul Miller retired. Mr. Miller was not eligible for re-election. An additional

vacancy existed as Rear Admiral Peter Brady resigned earlier in the year. The Minister of Land and the Environment confirmed Mr. James Rawle, Ms. Nicole Foga, Mr. John McFarlane and Mr. Earl Jarrett as NGO Directors. The University of the West Indies appointed Professor Susan Walker to replace Professor Al Binger as the UWI Director.

### Community Relations

One member, the St. Ann Environmental Protection Trust took the lead on managing the consultative process for the preparations for the World Summit on Sustainable development, led the NGO delegation to South Africa and hosted a series of post summit presentations and exhibitions in Ocho Rios, Kingston and Negril. The visits to member organizations resulted in the resolution of waste disposal problems at the Jamaica National Children's Home.

### Administration

Four Committee meetings were held to plan and review membership activities. One membership meeting was held on May 21st, 2003 to review the grant making priorities developed by the Ad Hoc Strategic Task Force set up by the Board to initiate a strategic planning process. Twenty-three of the forty member organizations were represented, and a total of thirty-two persons participated.

The period of reflection also created opportunities for staff development within this area. The Membership and Community Relations Officer, Marlene Lewis participated in the International Fellows Programme of the City University of New York producing valuable research on the giving patterns of Jamaican organizations in the New York City Area. Mrs. Patrice Kong served in this area as Membership Relations and Information Administrator during the period. ■

# GOVERNANCE

## members

The Foundation has membership of 40 Non-Governmental Organizations, which are listed below: -

Association of Clubs  
Association of Development Agencies  
Big Brothers of Jamaica  
Birdlife Jamaica  
Bluefields People's Community Association  
Council of Voluntary Social Services  
Friends of the Sea  
Geological Society of Jamaica  
Girls Town Jamaica  
Hope for Children Development Company  
Hyacinth Lightbourne Memorial Association  
ICWI Group Foundation  
Jamaica Association for Persons With Mental Retardation  
Jamaica Association for the Deaf  
Jamaica Baptist Women's Federation  
Jamaica Cancer Society  
Jamaica Conservation and Development Trust  
Jamaica Environment Trust  
Jamaica Family Planning Association  
Jamaica Foundation for Children  
Jamaica National Children's Home  
Jamaica Red Cross Society  
Jamaica Save the Children Fund  
Jamaica Society for the Blind  
Jamaican Society for Agricultural Sciences  
National Development Foundation for Jamaica  
National Environmental Societies Trust  
Natural History Society of Jamaica  
Negril Coral Reef Preservation  
Portland Environment Protection Association  
Portmore Joint Citizens Association  
Private Sector Organization of Jamaica  
Raymonds Citizens Association  
S-Corner Clinic  
St. Ann Environment Protection Association  
Three-D Projects  
UNITAS of Jamaica  
VOUCH  
Yallahs Community Development Fund Limited  
Young Women's Christian Association



Environmental Foundation of Jamaica  
1B Norwood Avenue  
Kingston 5  
Jamaica W.I.

phone: (876) 960-6744  
(876) 960-8799  
(876) 960-7954  
(876) 960-7125  
(876) 926-6776

fax: (876) 920-8999  
toll free: 1-888-991-2953

email: [efj.ja@cwjamaica.com](mailto:efj.ja@cwjamaica.com)  
website: [www.efj.org.jm](http://www.efj.org.jm)